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18 April 1957

MEMORANDUM FOR: THE RECORD

SUBJECT : LCCASSOCK Publications and Expenses

1. During the calendar year 1956 project LCCASSOCK expended a total of DM ☐ (this included funds provided through a regular project budget as well as those funds provided for through OKDEMOM). Of this total DM ☐ or 43.5% was expended on overhead expenses such as salaries, travel, per diem, public relations, rent, heat telephone, newspapers, and increase in inventoried furniture. 56.5% or DM ☐ was expended for publication of a varied number of issues of thirteen different publications. These expenses included printing, cost of paper, fees for pictures, editorial information and all costs of distribution and dissemination.

2. LCCASSOCK publications can be broken down into three distinct categories. The first is what is known as CARDINALE publication and is a group of four publications that appear once a month so that there are a total of three of each publication produced during a year. In addition these publications are produced in both a normal and "Pony" format. The second category is what is known as the "Tunnel" publications. Generally these are non-periodic authentic factual reports and have no specific propaganda "slant" although they are definitely of propaganda value. The Third category includes all the rest of the LCCASSOCK publications that may appear at various times during the year.

3. Headquarters approve of the "Tunnel" publications and of the "SED Lagerericht" (third category) and we do not wish to criticize the CARDINALE publication "Fernschreiber" or the "NAD" "Nachrichten aus Deutschland" (third category). The purpose, aim, and the content of these four publications appear to be worthwhile and the costs of these publications do not appear exorbitant. 280,000 copies of these four publications were produced and disseminated at a cost of DM 124,607 while overhead expenses chargeable to these publications is estimated by headquarters at DM 72,000. Headquarters estimates that approximately 140,000 copies of these publications were received in the Soviet Zone. Specific criticism of the content of all LCCASSOCK publications was provided by an analysis prepared by the EE/Evaluation Staff, which generally agrees with evaluations contained in this paper. Ref:

The following is a cost analysis of those publications which Headquarters takes exceptions to and which we feel should be discontinued.

A. DIE FRAU (CARDINALE)- During 1956 20,000 copies each of three issues of this publication were produced. Costs actually chargeable to this publication were DM ☐ while headquarters estimates that DM ☐ of

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overhead expenses could be actually chargeable to this publication. Headquarters estimates that no more than 30,000 items of the total number produced were actually received in the Soviet Zone.

B. Pony edition of DIE FRAU - During 1956 one issue, 9,850 copies were produced at a cost of DM 9,470. Headquarters estimates that no more than 7,000 items of the total produced were received in the Soviet Zone.

C. EXTRA (and its predecessor ILLUSTRIRTE WOCHENBLATT) (CARDINALE) - During 1956 three issues totalling 38,000 copies were produced. Actual costs chargeable to this publication, including all printing and distribution costs, totalled DM 32,632, while headquarters estimates that DM 16,000 of overhead expenses could be actually charged to this publication. Headquarters estimates that a maximum of 20,000 items were received in the Soviet Zone.

D. Day edition of EXTRA - During 1956 22,480 copies of two editions were produced at a cost of DM 10,096. Headquarters estimates that no more than 14,000 items were actually received in the Soviet Zone.

E. DIE KURVE (CARDINALE) - During 1956 three issues totalling 46,000 copies were produced. Actual costs chargeable to this publication, including all printing and distribution charges total DM 43,580 while headquarters estimates that DM 40,000 of overhead expenses should be charged to this publication. Headquarters estimates that a maximum of 25,000 items were received in the Soviet Zone.

F. Pony edition of DIE KURVE - During 1956 12,110 copies of one issue were produced at a cost of DM 6,660. Headquarters estimates that a maximum of 8,000 items were actually received in the Soviet Zone.

G. HERZ ZU HERZ (third category) - An estimated 5,000 copies (12 issues) were produced and disseminated at a cost of DM 3,300 during 1956. Headquarters estimates that DM 10,000 of overhead charges could be carried by this publication. Headquarters estimates that a maximum of 3,500 copies were received in the Soviet Zone.

H. KLATSCH (third category) - An estimated 26,000 copies (10 issues) were produced and disseminated at a cost of DM 17,160 while overhead chargeable to this publication is estimated at DM 16,000. Headquarters estimated that a maximum of 18,000 copies were received in the Soviet Zone.

I. HORIZONT (third category) - An estimated 22,000 copies (8 issues) were produced and disseminated at a cost of DM 14,520 while overhead chargeable to this publication is estimated at DM 16,000. Headquarters estimates that a maximum of 14,000 copies were received in the Soviet Zone.

J. DAS SCHLAGZEUG (third category) - An estimated 10,000 copies (four

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issues) were produced and disseminated at a cost of DM 6,600 while headquarters estimates of overhead charges chargeable to this publication total DM 14,000. Headquarters estimates that a maximum of 5,000 copies were received in the Soviet Zone.

K. GRUENE REIHE (third category) - An estimated 4,000 copies (4 issues) were produced and disseminated at a cost of DM 2,640 while overhead expenses chargeable to this publication total DM 14,000. Headquarters estimates that a maximum of 2,000 copies were received in the Soviet Zone.

L. DIE SPRECHSTUNDE (Third category) - An estimated 5,000 copies (8 issues) were produced and disseminated at a cost of DM 3,300 while overhead expenses chargeable to this publication total DM 14,000. Headquarters estimates that a maximum of 2,500 copies were received in the Soviet Zone.

Copies of the questionable publications are submitted herewith.

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RAMB

Pls keep in your file - Are my red pencil figures accurate? More important, are they fair? I would like to send them to the field on some likely occasion in order to get their reaction as to accuracy & fairness

SM

JLH Comments:

What are 9000 DM for Public Relations?

It seems to me that ~~9000~~ even the good ones are costing us too much (over 1 DM) for each copy which reaches DDR, to say nothing of those which in my estimation have no impact at all, ie those in attached folder:

DIE FRAU costs ca 5 DMW for each copy which reaches DDR;

KURVE costs us over 3 DMW for same

HERZ ZU HERZ costs us ca 4 DMW for same (marriage proposal stuff copied from Western papers)

HORIZONT costs us ca 2 DMW for same (Horoscope)

SCHLAGZEUG costs us over 4 DMW for same (Jazz)

GRUENE REIHE costs us over 8 DMW for same (Horoscope plu rumor)

SPRECHSTUNDE costs us well over 6 DM per copy for same (Medicine)

These marginal publications are costing us  $\approx 3$  DMW per year out of a total of  $\approx 10$  DMW, or more than two thirds of the total for the project. DIE FRAU, which first caused us to question the impact of the project's publications, costs  $\approx 3$  DMW or almost one quarter of the total. The attached memo from French gives the details.